

U.S. Environmental Protection Agency
Office of Acquisition Management

Competition Advocacy Program

**Protecting Human Health & Safeguarding the Natural Environment
Through Innovative Solutions Realized From Creative and Competitive Contracting
Methodologies**

**Fiscal Year 2010
Agency Competition Advocate (ACA) Report**

EXECUTIVE SUMMARY

The Agency's Competition Advocate (ACA) is pleased to present this "state of competition" assessment of competition practices, achievements and future plans to continue increasing competition on the EPA's procurement opportunities. The EPA is committed to ensuring competition in new, current, and follow-on procurement opportunities as demonstrated by a high rate of competition actions in Fiscal Year (FY) 2010. In the Federal Procurement Data System (FPDS) report dated 12/9/10, the EPA is noted as having 87% competitive actions in FY 2010. This represents an 8% increase from the EPA's impressive accomplishment of 79% competitive actions in FY 2009 which in itself was a 4% increase from the EPA's impressive accomplishment of almost 75% competitive actions in FY 2008. Most significant in FY 2008 was the Office of Federal Procurement Policy (OFPP) recognition of the EPA as having some of the most effective practices for enhancing competition in the Federal government.

The EPA's competition success is due to our aggressive acquisition planning efforts, implementing creative acquisition processes that expand competition, ensuring clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through the EPA's dynamic real-time Forecast Database. The greatest achievement from the EPA's competition practices is the expansion in the number of contract awards to small businesses. In FY 2007, the EPA awarded more than 41 percent of the EPA's total contract dollars to small businesses, which earned the EPA's 'green' rating. In FY 2008, EPA awarded more than 44 percent of the EPA's total contract dollars to small businesses, and in FY 2009, the percent exceeded even the EPA's expectations by reaching over 47 percent. (This huge increase can be partially attributed to the additional funding that the agency received under the American Reinvestment and Recovery Act and the fact that much of this funding went to contracts and task orders awarded to small businesses.) EPA's Agency Goal for FY 2008 – FY 2009 was 39.8%. This included almost a 9 percent accomplishment in FY 2009 in Service Disabled Veteran-Owned Small Business awards which is three times that of the EPA's Agency Goal for that small business category. This is a noteworthy accomplishment in which EPA is very proud. EPA earned the highest ranking of twenty-four civilian agencies on its FY 2009 Small Business Administration (SBA) Scorecard. EPA was presented an award in FY 2010 by SBA for its accomplishment. The EPA awarded almost 42 percent (41.6785%) of the EPA's total contract dollars to small businesses during FY 2010. EPA's Agency Goal for FY 2010 and FY 2011 is 42%.

If you have any questions concerning this report, please contact Susan Moroni, EPA's Agency Competition Advocate, at (202) 564- 4321 or by e-mail at moroni.susan@epa.gov.

INTRODUCTION

The Agency Competition Advocate ensures that increasing competition remains a top priority within the EPA's Office of Acquisition Management, and all of the EPA buying activities in Washington, D.C., Cincinnati, Ohio, Research Triangle Park, North Carolina, nine (9) regional procurement offices, and eleven (11) laboratories around the country. The Agency continues to emphasize competition in the acquisition of its requirements, resulting in impressive savings to taxpayers and increasing the contractor market. Competition is the cornerstone of our acquisition system, and this report will demonstrate how the EPA facilitates efficient and effective competition. This report details the EPA's FY 2010 competition results, the role of the Agency Competition Advocate, and actions underway to strengthen the Competition Advocacy Program at the EPA. In addition, this report contains recommendations for reinforcing the use of competition practices for strengthening the Agency's competitive environment.

SPECIFIC AREAS IN WHICH COMPETITION HAS BEEN ENHANCED

The Agency's Competition Advocate (ACA) has been referred to as the "Gate Keeper" for ensuring competition by the EPA's Office of Inspector General. The ACA has had significant success this year in reducing the number of sole source justifications. The ACA meets with the program office and contracting officer when any sole source action requires the review or approval of the Competition Advocate. In this meeting, the ACA asks the difficult and probing questions about what they are doing and how they will ensure that there are no barriers to future competition. During FY 2010, the ACA approved sole source justifications over \$550,000 and under \$11.5 million and reviewed and recommended approval for sole source justification over \$11.5 million which are approved by the Senior Procurement Executive (SPE). (Note: Effective October 1, 2010 (FY 2011), the thresholds have been increased from \$550,000 to \$650,000 and from under \$11.5 million to under \$12.5 million.)

The ACA issues the annual "Call Memo" requesting acquisition plans. The call letter provides clear instructions and examples of the necessary information to help encourage competition. The call letter includes a specific deadline for when new requirements are to be submitted to the procurement offices, which many program offices have found helpful in understanding the complexity and importance of true acquisition planning.

The ACA conducted two (2) Contractor Forums in FY 2010, and these forums have been noted by many companies as providing excellent information on doing business with the EPA and the Federal Government in general. The Contractor Forums encourage competition by bringing the EPA personnel together with small businesses, large businesses, and organizations interested in contracting with the EPA. This gives them an avenue in which to talk with the EPA about future opportunities and for the EPA to provide information on how to do business with the agency. On Tuesday, October 27, 2009, the first Contractor Forum of FY 2010 was held in Washington, D.C. with over 200 contractors participating. The agenda included presentations from the EPA leadership representing the Office of Administration Resources Management (OARM), the Office of Acquisition Management (OAM), and the Office of Small Business Programs (OSBP) as well as two panel discussions. The first panel was "Ask the Auditors and Cost/Price Analysts" which featured four OAM auditors (all were former Defense Contract Audit Agency auditors) that presented proposal preparation tips regarding creating a better cost proposal. They then

opened the discussion up to the audience so they could freely ask questions for approximately thirty minutes regarding preparing cost proposals. This presentation was evaluated very highly by the attendees and a few companies requested that it be repeated again in three to four years. The second panel discussion was conducted by three division directors who discussed the Office of Management and Budget's (OMB) initiatives in contracting which included, "Managing the Multi-Sector Workforce", "Improving Government Acquisition", and "Improving the Use of Contractor Performance Information". One-on-One Counseling sessions were held in the afternoon for small businesses. This gave the small business community the opportunity to meet with the EPA Program Staff, the EPA Procurement Staff, and the EPA Prime Contractors in an informal setting. These sessions are always very popular and well attended by the small business community. There were a total of 264 fifteen minute slots available (twenty-two different tables of counselors). The evaluations received from the Contractor Forum were extremely favorable and appreciative to the EPA for holding such an event. On Thursday, April 8, 2010, the second Contractor Forum of FY 2010 was held in San Francisco, California with more than 100 contractors participating. The agenda included presentations from the EPA leadership, both from Headquarters (OARM, OAM, and OSBP) as well as Region 9 who hosted the event. There was a policy update, a presentation on Recipient Reporting under the American Reinvestment and Recovery Act, a presentation (from the Security Management Division) on Fingerprinting and Background Checks for Contractors, a presentation on Indirect Cost Rates and Cost Proposal Guidance, and then a panel discussion entitled "Ask the Division Directors" in which the audience was able to ask the Division Directors any questions of interest and/or concern to them. One-on-One Counseling sessions were held in the afternoon for the small business community. There were a total of 264 fifteen minute slots available (twenty-two different tables of counselors). The ACA recommends the continuation of conducting the Contractor Forums twice each FY to help promote competition and build the competition base for future EPA procurements.

The previous ACA brought forward the idea to the EPA staff about seven years ago to encourage the use of Fedbid.com (located on the internet at <http://www.fedbid.com>) which is a reverse auction site. The use of Fedbid.com has contributed greatly toward increasing competition for various types of products that many program offices thought were only available through some limited sources. In FY 2010, the EPA's use of Fedbid.com totaled 104 reverse auctions, with an average number of 9 bids per auction, 43% of the awards going to small businesses, and savings of almost 3.6% from the government estimate. The EPA's FY 2010 savings were dramatically reduced, due to one large Tandberg buy (accounting for 1/5 of the total FY \$ volume). Although this was a highly competitive buy, it was potentially registered to one seller which caused no savings for that buy. Without including the one large Tandberg buy, the total percentage saved through FedBid.com would have been 8.3% for FY 2010. In FY 2009, the EPA's use of Fedbid.com totaled 73 reverse auctions, with an average number of 19 bids per auction, 39% of the awards going to small businesses, and savings of almost 3.2% from the government estimate. In my report last year, I recommended that additional training opportunities of Fedbid.com be provided to the contracting staff to encourage its use as a tool to increase competition. Two sessions were held during FY 2010, one exclusively for Headquarters Procurement Operations Division (HPOD), which is the division that utilizes this tool the most based on the types of products and services they procure, and one in which I worked with the Policy, Training, and Oversight Division (PTOD) to establish as a two hour training/workshop session for all

procurement staff. The procurement staff earned two continued learning credits for attending these sessions. The staff from Fedbid.com conducted both training sessions at EPA's facility located in the Ronald Reagan Building. Again this year and annually thereafter, I would like to recommend that this FedBid.com training be provided to further encourage its use as a tool to increase competition and also to teach new hires about this tool early in their careers.

The ACA monitors the EPA's dynamic real-time Forecast Database, which is on the Internet at <http://www.epa.gov/oam>. The Forecast Database contains detailed information on current and future procurement opportunities, including the contact person, due dates, statements of work, and all other relevant information. The EPA's Forecast Database equips small businesses interested in doing business with EPA with the information they need to effectively compete for Agency contracts. The Forecast Database has been used as a model by other agencies that are trying to enhance competition and has been recognized by companies interested in doing business with the EPA as an extremely valuable tool. The ACA has promoted aggressive efforts to ensure that the data is current, accurate and complete. The continuous improvements to our Internet site have provided more user-friendly features and access to more information. These improvements continue to result in fewer telephone calls to buyers and contracting officers for information which is now easily assessable and readily available on the Internet. The continuous improvements to our web site broaden communication between industry and the Government which facilitates more competition. The ACA recommends monthly monitoring of the Forecast Database to ensure the data is current, accurate, and complete.

COMPETITION DATA

The EPA is committed to ensuring competition in new, current, and follow-on procurement opportunities as demonstrated by a high rate of competition actions in FY 2010. In the Federal Procurement Data System (FPDS) report dated 12/9/10, the EPA was noted as having 87% competitive actions in FY 2010, and the EPA has been recognized in the past by the Office of Federal Procurement Policy as having some of the most effective practices for enhancing competition in the Federal government.

ROLE OF THE AGENCY COMPETITION ADVOCATE

The EPA has been successful in conducting full and open competition by ensuring that all personnel involved in the procurement process, from identification of the requirement through final payment on the contract, work as a team to maximize competition. The ACA's primary responsibilities are to:

- Develop, direct, and maintain the competition program to ensure that competition initiatives are incorporated and implemented at all levels.
- Promote the use of and challenge barriers to full and open competition in all acquisitions.
- Identify and report opportunities and actions taken to achieve, and any conditions or actions which unnecessarily restrict the use of full and open competition.

- Ensure that oversight mechanisms are established to provide visibility on any issues or obstacles to obtaining competition.
- Ensure the competition is planned early in the acquisition process to minimize factors inhibiting full and open competition.
- Promote market research to identify competition potential in support of acquisition strategies before the procurement decision is irrevocably made.
- Ensure that acquisition plans maximize competition.
- Review and approve sole source actions exceeding \$550,000 and Determinations and Findings for exclusion of certain sources. (Note: Effective October 1, 2010 (FY 2011), the threshold was increased to \$650,000.)
- Prepare and submit annual reports describing activities, new initiatives, and recommendations on improving competition.
- Serve as the EPA spokesperson for competition to industry, other Government agencies, and the EPA Program Offices.

ACTIONS THAT LIMIT COMPETITION

The Federal Acquisition Regulation (FAR) provides three distinct methods for limiting competition. First, FAR Subpart 6.3 – Other Than Full and Open Competition, provides the policies and procedures, and identifies the statutory authorities for contracting without providing for full and open competition. Second, FAR Subpart 8.405-6 – Limited Sources Justification and Approval, provides that orders placed under Federal Supply Schedules are exempt from the requirements in Part 6. However, an ordering activity must justify its action when; only one source is capable of responding due to the unique or specialized nature of the work; the new work is a logical follow-on; or when an urgent and compelling need exist. Third, FAR Subpart 13.501 – Special documentation requirements, allows sole source (including brand name) acquisitions for certain commercial items. For the purpose of this report, these three methods for limiting competition will be uniformly referred to as sole-source actions. It is also worthy to note that there are some noncompetitive awards that require no further justification (e.g., awards to an 8(a) firm, public utility, or a source authorized or required by statute) and these actions are not included or addressed in this report.

The sole source actions that are submitted for the approval of the ACA are usually limited to those instances where, for example, the Agency had no other choice but to award on a noncompetitive basis if scientific objectives and Congressional mandates were necessary, when the public health and welfare were at stake, or when time was of the essence to alleviate an immediate danger. The EPA is an agency that is required to protect human health and the environment in the case of a terrorist attack or national emergency, and has issued class justifications to be prepared for these situations. These sole source vehicles are only to be utilized in rare circumstances when competition is not possible due to emergency health and

environmental threats. With the availability of a document which can be invoked in a qualifying emergency, the EPA will not need to issue a new document at a point where it may be impossible. We cannot determine this impact on competition.

The ACA, with the cooperation of the procurement and program office personnel, will take steps to ensure that there are no noncompetitive awards to continue on-going programs caused by delayed procurement awards due to poor advance planning and monitoring of current contracts.

The EPA will continue to strive to reduce noncompetitive acquisition situations. Under many of its programs, the EPA has significantly broadened the contractor base and provided opportunities for more companies to compete. The EPA's procurement personnel and program office personnel continue to work to increase competition and develop additional sources to satisfy the EPA's requirements. In some instances where an incumbent has repeatedly received follow-on contracts, additional sources have been developed by continuing to break out requirements and allowing the incumbent and the prospective contractors to propose on only a single part of the requirement. By taking these actions, the Agency is developing sources and broadening its contractor base.

ASSESSMENT OF COMPETITION PRACTICES

The Agency continued to enhance competition through the use of innovative procurement techniques. For all procurement opportunities, full and open competition was stressed as the most desirable method of acquisition and was pursued aggressively. In assessing the state of competition practices at the EPA for FY 2010, I utilized the format provided by OFPP in its letter dated May 31, 2007. The following details the results of my review based on responses provided from the EPA procurement offices.

A. Ensuring sufficient attention to the manner in which acquisitions are planned

The ACA and the procurement offices have taken numerous actions to ensure that there is sufficient attention being paid to the manner which acquisitions are planned. It is clear that acquisition planning is one of the best ways to ensure competition. At the EPA, we utilize cross-functional teams in the acquisition planning process, which includes the procurement staff, the program office staff, and the Office of Small Business Programs (OSBP). Detailed acquisition planning meetings are held with each individual customer to go over the next three years acquisition plans to determine strategies to enhance competition, including small business participation. At these planning meetings, the team discusses how competition will be sought and promoted. These planning meetings set forth strategy and identify and help prevent potential future noncompetitive awards. In some instances, all fiscal year requirements are being reviewed at the beginning of the year to develop a total contract strategy for a particular technical program.

Acquisition plans for large requirements consider, as appropriate, the comparative benefits of awarding a new contract versus placing an order under an existing contract by reviewing in-house capabilities and capacity on current contracts.

The EPA employs many market research techniques including publishing formal requests for information, querying government and commercial databases, counseling contractors on doing business with the EPA, holding pre-proposal conferences, and participating in events (such as outreach, matchmaking, etc.) with industry, other acquisition officials, and the program office. Pre-proposal conferences provide an opportunity for potential offerors to familiarize themselves with the Government's requirement, encourage participation in the procurement, and provide a networking opportunity to establish subcontracting, mentoring, and/or teaming arrangements. The procurement staff agency-wide utilizes sources sought synopses to determine appropriate acquisition type and ensure maximum consideration of small businesses. Cincinnati Procurement Operations Division (CPOD) was recognized in a Small Business Administration (SBA) audit report for its frequent use of sources sought announcements to increase competition in simplified acquisitions and high dollar value contracts as a commendable practice. Acquisitions are posted in the EPA's Forecast Database and on our main website to maximize competition. Upon issuance of a new solicitation, the contracting officers routinely send e-mail notifications to sources identified by the program office and sources responding to the synopsis to ensure maximum response from contractors.

There are plans in place to provide maximum practicable opportunities for small businesses in both prime contracting and subcontracting. In FY 2010, the EPA awarded almost 42 percent (41.6785 %) of the EPA's total contract dollars to small businesses and met four of the six small business goals. The EPA awarded over \$95 million to SDVOSB which equates to almost 6%. In FY 2009, the EPA awarded more than 47 percent of the EPA's total contract dollars to small businesses by awarding more than \$155 million to SDVOSB which equated to almost 9 percent of the EPA's total contract dollars up from \$50 million to SDVOSB in FY 2008 which equated to over 4 percent of the EPA's total contract dollars. The EPA's Agency Goal for SDVOSB is 3%. In Region 1, their commitment to increase its usage of small businesses has resulted in a Region 1 Small Business Accomplishment change from 6.45% in FY 2004 to 62.27% (draft) in FY 2010, despite an extreme staffing shortage in that region. All of the region's major Superfund contracting mechanisms awarded in the past five years have provided enhanced opportunities for small businesses, notably in prime contracting. In Region 2, two Emergency & Rapid Response Services (ERRS) contracts, both awarded to large businesses, were due to expire in September 2009. It was determined that there were numerous qualified small business contractors that have the capabilities to meet the requirements so the solicitation for the follow-on contract was issued with the intent to award three contracts instead of the current two, with the hopes of expanding the pool of qualified contractors for future procurements. Two contracts were awarded in May 2010 (delayed due to multiple protests) based on a Small Business Set-Aside, and one contract was planned to be awarded under a Service Disabled Veteran-Owned Business Set-Aside. This contract is yet to be awarded due to a SBA Size Determination protest regarding the potential awardee. SBA took approximately six months to make their determination that the company was other than small. That company has now appealed SBA's size determination. Based on this fact, Region 2 can't take any further action regarding the Service Disabled Veteran-Owned Business Set-Aside award until the appeal is resolved. It should be noted that in Region 2, twelve of the thirteen current contracts that the region awarded have all been awarded to small businesses and the thirteenth was awarded to an Ability One sheltered workshop. Although the three contracts awarded for Region 2 at Headquarters were awarded to large businesses, these prime contractors are monitored and encouraged to maximize performance in

meeting and exceeding each of the goals under subcontracting plans. To this end, Region 2's Contracts Management Section forwards a list of Region 2 prime contractors to small businesses inquiring about how to do business with the EPA, as well as providing this list to participants in small business matchmaking forums. During FY 2010 and after discussions with Region 7 who was the first region to implement the award of site specific contracts, Region 3 issued its first site specific contract for remediation of a former ammunition assembly plant at Ordnance Products to a small business. In Region 5, the region successfully competed a contract, for their Water Division, as a small business set aside. The result was the multiple award of three contracts to small businesses instead of the historical single award to one large business. To further enhance competition, task orders will be awarded on a competitive fixed basis under these contracts. In Region 9, they procured half of their FY 2010 new requirements through two small business set-asides and one 8(a) award. The numerous EPA Regions, via their small business specialists, as well as Research Triangle Park Procurement Operations Division (RTPPOD) and CPOD, the only two divisions within OAM that have small business specialists, continue to hold small business vendor outreach events as well as conduct training for the small business community to increase competition and the use of small businesses on their procurements.

In late 2009, OAM and OSBP committed to team together to establish a small business training program for the procurement staff and the program office staff to improve their knowledge of the Small Business (Socio-Economic) Contracting Programs. It was and remains OAM's and OSBP's strong desire to educate and encourage the use of the different small business contracting programs regarding EPA procurements, as appropriate. This training is scheduled to be given for the first time at the Acquisition Conference in March 2011 and then conducted annually thereafter. The ACA recommends this action and hopes that the program offices' management will encourage their staff to attend as much as OAM's management plans to encourage attendance by its staff. OAM also plans to team with OSBP to develop and publish a guide on Socio-Economic Contracting Programs that will then be distributed to the different EPA offices. This will provide a handy guide for practical use and both of these actions will be Balanced Scorecard Initiatives during FY 2011.

Another area that the EPA procurement personnel needs additional training and emphasizing is information in the electronic Subcontracting Reporting System (eSRS) to ensure that they are reviewing individual subcontract reports in the system and in a timely manner. The ACA recommends monitoring of the electronic Subcontracting Reporting System (eSRS) to determine the barriers on approving or rejecting the Individual Subcontracting Reports to ensure the EPA Contracting Officers are providing the maximum practicable opportunities for small businesses in subcontracting. In addition, regular discussion with the OSBP should include the status of "accept/reject" of Summary Subcontract Reports, as OSBP is the approving office.

The EPA has processed no actions that meet the definition of contract bundling. Each major acquisition involving a number of separate tasks is reviewed to determine the acquisition method best suited to enhance competition. This includes examining each task and determining whether to separate tasks or combine them, depending on which method is most likely to generate the most competition.

For the Headquarters Contract Service Center's (HCSC) largest procurement in FY 2010, the Office of Resource Conservation and Recovery (ORCR) Mission Support Contract, the HCSC of the Superfund RCRA Regional Procurement Operations Division (SRRPOD) partnered with ORCR to change the contract type from a single award, cost reimbursement vehicle (incumbent contract) to a multiple award, hybrid firm fixed price/time and materials set of vehicles. This successful change in contract type was the result of substantial training of ORCR staff both pre and post award on behalf of HCSC staff and has resulted in the first round of task orders issued competitively at overall lower price than corresponding work assignments under the previous single award contract.

The Information Resource Management Procurement Service Center (IRMPSC) of Headquarters Procurement Operations Division (HPOD) enhanced competition in FY 2010 by continuing to leverage the Software Engineering Specialized Scientific Support (SES3) multiple award Blanket Purchase Agreements (BPA) placed last year. To date, IRMPSC has placed twenty-four task orders across multiple agency offices on the SES3 BPAs. Eight of which were placed in FY 2010.

B. Using competition in an effective manner

The EPA is proud of our efforts to ensure clear statements of work that provide sufficient information, so the companies may make informed business decisions on whether to respond and perform the due diligence necessary to propose the best solutions. In addition, the EPA also may publish proposed requirements for public comment prior to issuance of a solicitation. The EPA is working on moving much of our contract work to performance based listing clear performance measures and expectations related to qualify, responsiveness, timeliness, and cost. Competition is enhanced through the use of performance-based contracting, as it requires clear and measurable contract performance standards in terms of quality, quantity, and timeliness.

The EPA considers the complexity, commerciality, availability, and urgency in establishing due dates for proposals. All offices work to allow the maximum number of days for proposals to increase competition and encourage contractors to provide quality proposals that would allow for a best value award based on initial offers. It is the intent of the EPA to award based on initial offers as stated in solicitations issued by the agency.

During the evaluation process, the EPA takes into account recent and relevant past performance, including quality, timeliness, and cost control. The EPA relied on the National Institute of Health's (NIH) past performance system until May 14, 2010 and now relies on and the Navy's Contractor Performance Assessment Reporting System. The EPA annually holds "stand down" days to remind Contracting Officer's to input and update the information on their existing contracts in the system so that current and relevant information is available for upcoming procurement opportunities.

C. Emphasizing sound contract management and oversight

The EPA ensures that properly trained contracting officer representatives (COR) are designated for contracts before contract performance begins. The requirements to be a COR are listed in the

EPA policy guidance. OAM provides regular training and maintains the database of certified CORs, and the Contracting Officers ensure that proposed modifications are within the scope of the contract or order.

TRENDS ON ORDERS OVER \$1 MILLION

There are few trends in competition on orders over \$1 million as a result of the EPA's commitment to competition. The orders that were identified demonstrated that they were conducted with sufficient time to allow for competitive offers to be received. In one instance, the Contracting Officer allowed 14 days for offers and received 4 offers, another Contracting Officer allowed 30 days and received 3, another allowed 39 days and received 6, while in another situation the Contracting Officer allowed 60 days for offers and 2 offers were received. Therefore, it appears that the Contracting Officers are making good judgments on the number of days needed for their particular requirements depending on the complexity of the requirement.

I received responses from ten (10) procurement offices that issued orders over \$1 million (RTPPOD, CPOD, SRRPOD, HPOD, Region 1, Region 2, Region 3, Region 4, Region 6, and Region 9), for a total of eighty-six (86) orders for the agency. Region 5, 7, and 10 stated that they did not issue any orders that were over \$1 million. (Region 8 did not respond.) Unfortunately, neither FPDS nor EPA's internal systems were able to accurately identify all the orders over \$1 million, which does not allow for a validation of the data.

SUMMARY & RECOMMENDATIONS

Thank you again for the opportunity to present this assessment of EPA's competition achievements and future plans to continue increasing competition on EPA's procurement opportunities. I believe that EPA will continue to be one of the top agencies leading competition success as we will continue our aggressive acquisition planning efforts by implementing creative acquisition processes that expand competition, ensuring there are clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through the EPA's dynamic real-time Forecast Database. I propose the following recommendations to help keep the EPA's competition practices strong.

1. The ACA will plan, organize, and conduct two Contractor Forums each FY to improve communications with Industry and to encourage competition and help build a stronger competition base for future procurements.
2. The ACA will work with PTOD on establishing additional training opportunities on Fedbid.com to encourage its use as a tool for competition for supplies and lab equipment due to its success at increasing competition, small business participation, and government savings.
3. The ACA will work with the OAM Division Directors to ensure monthly monitoring of the Forecast Database to ensure the data is current, accurate, and complete.

4. The ACA will work with OSBP to present annual small business training to increase competition, improve knowledge of the Socio-Economic Contracting Programs and strongly encourage their use under EPA procurements as appropriate.
5. The ACA will collaborate with OSBP to develop and publish a guide on Socio-Economic Contracting Programs.
6. The ACA will work with the OAM Division Directors on monitoring of the electronic Subcontracting Reporting System (eSRS) to determine the barriers on approving or rejecting the Individual Subcontract Reports to ensure the EPA Contracting Officers are providing the maximum practicable opportunities for small businesses in subcontracting. In addition, regular discussions with the Office of Small Business Programs (OSBP) should include the status of "accept/reject" of Summary Subcontract Reports, as OSBP is the approving office.
7. The ACA will work with the Information Technology Service Center and the OAM Division Directors and Regional Contracting Officers as necessary on an FPDS ad hoc report regarding sole-source actions over \$650K to ensure that all sole source actions over \$650K are correctly approved by the Competition Advocate during FY 2011 by each of the Divisions and Regions.

Report Prepared by:



Susan Moroni,
Agency Competition Advocate
Office of Acquisition Management
Phone: 202-564-4321
E-mail: moroni.susan@epa.gov

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The EPA's competition success is due to our aggressive acquisition planning efforts, implementing creative acquisition processes that expand competition, ensuring clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through the EPA's dynamic real-time Forecast Database. The greatest achievement from the EPA's competition practices is the expansion in the number of contract awards to small businesses. In FY 2007, the EPA awarded more than 41 percent of the EPA's total contract dollars to small businesses, which earned the EPA's 'green' rating. In FY 2008, EPA awarded more than 44 percent of the EPA's total contract dollars to small businesses, and in FY 2009, the percent exceeded even EPA's expectations by reaching over 47 percent. EPA's Agency Goal for FY 2008 – FY 2009 was 39.8%. This included almost a 9 percent accomplishment in FY 2009 in Service Disabled Veteran-Owned Small Business awards which is three times that of the EPA's Agency Goal for that small business category. This is a noteworthy accomplishment in which EPA is very proud.

If you have any questions concerning this report, please contact Susan Moroni, EPA's Agency Competition Advocate, at (202) 564- 4321 or by e-mail at moroni.susan@epa.gov.

INTRODUCTION

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The Agency's Competition Advocate (ACA) has been referred to as the "Gate Keeper" for ensuring competition by the EPA's Office of Inspector General. The ACA has had significant success this year in reducing the number of sole source justifications. The ACA meets with the program office and contracting officer when any sole source action requires the review or approval of the Competition Advocate. In this meeting, the ACA asks the difficult and probing questions about what they are doing and how they will ensure that there are no barriers to future competition. The ACA and the Office of General Counsel (OGC) jointly meet with the contracting officer and the project officer to ensure there is a consistency in the documentation and requirements for sole source actions. The meetings have reduced redundant reviews and help ensure sole source actions are justified.

The ACA issues the annual "Call Memo" requesting acquisition plans. The call letter provides clear instructions and examples of the necessary information to help encourage competition. The ACA revised the requirements to increase the data needed for the upcoming year to enhance competition. The call letter includes a specific deadline for when new requirements are to be submitted to the procurement offices, which many program offices have found helpful in understanding the complexity and importance of true acquisition planning.

The ACA conducted two (2) Contractor Forums in Fiscal Year 2009, and these forums have been noted by many companies as providing the best information on doing business with the Federal Government. The Contractor Forums encourage competition by bringing EPA program personnel together with small businesses, large businesses, and organizations interested in contracting with EPA. This gives them an avenue in which to talk with the EPA about future opportunities and for EPA to provide information on how to do business with the EPA. On Tuesday, November 18, 2008, the Contractor Forum was held in Washington, D.C. with over 200 contractors participating. The agenda included presentations from EPA leadership from the Office of Administration Resources Management (OARM), Office of Acquisition Management (OAM), and the Office of Small Business Programs (OSBP) as well as a procurement policy update and presentation from four of the program offices to include the Office of Environmental Information (OEI), the Office of Solid Waste & Emergency Response (OSWER), the Office of Water (OW), and the Office of Air and Radiation (OAR) regarding their future procurement opportunities. One-on-One Counseling sessions were held in the afternoon for small businesses. This gave the small business community the opportunity to meet with EPA Program Staff, EPA Contracting Staff, and EPA Prime Contractors in an informal setting. These sessions are always very popular and well attended by the small business community. On Thursday, April 30, 2009, the Contractor Forum was held in Philadelphia, Pennsylvania with more than 100 contractors participating. The agenda included presentations from EPA leadership, both from Headquarters as well as Region 3 who hosted the event.

There was a policy update, a FedConnect presentation, an Indirect Cost Rate Guidance presentation, and a presentation from GSA regarding how to get on GSA Schedule. One-on-One Counseling sessions were held in the afternoon for the small business community as well as having a Small Business Agenda which included highlights from the Small Business Administration, "How to Do Business with the EPA" panel discussion presented by the EPA Office of Small Business Programs, "Partnering for Success" presented by CH2M Hill, and "IT Contracting Opportunities with the Office of Planning Resources, and Outreach" of the Office of Environmental Information.

The ACA brought forward the idea to EPA staff about six years ago to encourage the use of Fedbid.com (located on the internet at <http://www.fedbid.com>) which is a reverse auction site. The use of Fedbid.com has contributed greatly toward increasing competition for various types of products that many program offices thought were only available through some limited sources. In Fiscal Year 2009, EPA's use of Fedbid.com totaled 73 reverse auctions, with an average number of 19 bids per auction, 39% of the awards going to small businesses, and savings of almost 3.2% from the government estimate. In the new fiscal year, the ACA recommends that additional training opportunities of Fedbid.com be provided to encourage its use as a tool to increase competition.

The ACA monitors EPA's dynamic real-time Forecast Database, which is on the Internet at <http://www.epa.gov/oam>. The Forecast Database contains detailed information on current and future procurement opportunities, including the contact person, due dates, statements of work, and all other relevant information. The EPA's Forecast Database equips small businesses interested in doing business with the EPA with the information they need to effectively compete for Agency contracts. The Forecast Database has been used as a model by other agencies that are trying to enhance competition and has been recognized by companies interested in doing business with the EPA as an extremely valuable tool. The ACA has promoted aggressive efforts to ensure that the data is current, accurate and complete. The continuous improvements to our Internet site have provided more user-friendly features and access to more information. These improvements continue to result in fewer telephone calls to buyers and contracting officers for information which is now easily assessable and readily available on the Internet. The continuous improvements to our web site broaden communication between industry and the Government which facilitates more competition. The ACA recommends monthly monitoring of the Forecast Database to ensure the data is current, accurate, and complete.

The ACA created an ad hoc report in FPDS in response to the Office of Inspector General (OIG) audit that found a few sole-source actions over \$550K that were not approved by the Competition Advocate, which required by the Acquisition Handbook, Unit 4. The ACA committed to developing a report showing all sole-source actions over \$550K and to ensure that the files are correctly approved by the Competition Advocate. The ACA sent the report to the OAM Managers to review the report for accuracy and to ensure that the correct documentation and approvals are in the file. The preliminary findings on this report are that the data in FPDS is not accurate and there are many actions that are coded as noncompetitive that were competitive. The ACA recommends that the FPDS report on sole-source actions over \$550K be corrected as noted by the OAM staff and then re-run an FPDS report to ensure that all sole-source actions over \$550K are correctly approved by the Competition Advocate. A very important note on the OIG review of the EPA's competition practices is that they did not find any deficiencies in ensuring competition under EPA's Competition Advocacy Program, only that the existing controls were not followed.

COMPETITION DATA

The EPA is committed to ensuring competition in new, current, and follow-on procurement opportunities as demonstrated by a high rate of competition actions in Fiscal Year (FY) 2009. In the Federal Procurement Data System (FPDS) report dated 12/7/09, the EPA was noted as having 79% competitive

actions in FY 2009, and the EPA has been recognized in the past by the Office of Federal Procurement Policy as having some of the most effective practices for enhancing competition in the Federal government.

ROLE OF THE AGENCY COMPETITION ADVOCATE

The EPA has been successful in conducting full and open competition by ensuring that all personnel involved in the procurement process, from identification of the requirement through final payment on the contract, work as a team to maximize competition. The ACA's primary responsibilities are to:

- Develop, direct, and maintain the competition program to ensure that competition initiatives are incorporated and implemented at all levels.
- Promote the use of and challenge barriers to full and open competition in all acquisitions.
- Identify and report opportunities and actions taken to achieve, and any conditions or actions which unnecessarily restrict the use of full and open competition.
- Ensure that oversight mechanisms are established to provide visibility on any issues or obstacles to obtaining competition.
- Ensure the competition is planned early in the acquisition process to minimize factors inhibiting full and open competition.
- Promote market research to identify competition potential in support of acquisition strategies before the procurement decision is irrevocably made.
- Ensure that acquisition plans maximize competition.
- Review and approve sole source actions exceeding \$550,000, and Determinations and Findings for exclusion of certain sources.
- Prepare and submit annual reports describing activities, new initiatives, and recommendations on improving competition.
- Serve as the EPA spokesperson for competition to industry, other Government agencies, and EPA Program Offices.

ACTIONS THAT LIMIT COMPETITION

The Federal Acquisition Regulation (FAR) provides three distinct methods for limiting competition. First, FAR Subpart 6.3 – Other Than Full and Open Competition, provides the policies and procedures, and identifies the statutory authorities for contracting without providing for full and open competition. Second, FAR Subpart 8.405-6 – Limited Sources Justification and Approval, provides that orders placed under Federal Supply Schedules are exempt from the requirements in Part 6. However, an ordering activity must justify its action when; only one source is capable of responding due to the unique or specialized nature of the work; the new work is a logical follow-on; or on an urgent and compelling need exist. Third, FAR Subpart 13.501 – Special documentation requirements, allows sole source (including brand name) acquisitions for certain commercial items. For the purpose of this report, these three methods for limiting competition will be uniformly referred to as sole-source actions. It is also worthy to

note that there are some noncompetitive awards that require no further justification (e.g., awards to an 8(a) firm, public utility, or a source authorized or required by statute) and these actions are not included or addressed in the report.

The sole source actions that are submitted for the approval of the ACA are usually limited to those instances where, for example, the Agency had no other choice but to award on a noncompetitive basis if scientific objectives and Congressional mandates were necessary, when the public health and welfare were at stake, or when time was of the essence to alleviate an immediate danger. The EPA is an agency that is required to protect human health and the environment in the case of a terrorist attack or national emergency, and has issued class justifications to be prepared for these situations. These sole source vehicles are only to be utilized in rare circumstances when competition is not possible due to emergency health and environmental threats. With the availability of a document which can be invoked in a qualifying emergency, the EPA will not need to issue a new document at a point where it may be impossible. We cannot determine this impact to our competition.

The ACA, with the cooperation of contract and program personnel, will take steps to ensure that there are no noncompetitive awards to continue on-going programs caused by delayed procurement awards due to poor advance planning and monitoring of current contracts.

The EPA will continue to strive to reduce noncompetitive acquisition situations. Under many of its programs, the EPA has significantly broadened the contractor base and provided opportunities for more companies to compete. All of the EPA's contract personnel and program personnel are working to increase competition and develop additional sources to satisfy EPA's requirements. In instances where an incumbent has repeatedly received follow-on contracts, additional sources are developed by continuing to break out requirements and allowing the incumbent and the prospective contractors to propose on only a single part of the requirement. By this "exclusion of sources" method of acquisition, the Agency is developing sources and broadening its contractor base.

ASSESSMENT OF COMPETITION PRACTICES

The Agency continued to enhance competition through the use of innovative procurement techniques. For all procurement opportunities, full and open competition was stressed as the most desirable method of acquisition and was pursued aggressively. In assessing the state of competition practices at the EPA for FY 2009, I utilized the format provided by OFPP in its letter dated May 31, 2007. The following details the results of my review based on responses provided from the EPA procurement offices.

A. Ensuring sufficient attention to the manner in which acquisitions are planned

The ACA and procurement offices have taken numerous actions to ensure that there is sufficient attention being paid to the manner which acquisitions are planned. It is clear the acquisition planning is one of the best ways to ensure competition. At the EPA, we utilize cross-functional teams in the acquisition planning process, which includes the procurement staff, program office, and the small business office. Detailed acquisition planning meetings are held with each individual customer to go over the next two years acquisition plans to determine strategies to enhance competition, including small business participation. At these planning meetings, the team discusses how competition will be sought and promoted. These planning meetings set forth strategy and identify and help prevent potential future noncompetitive awards. In some instances, all fiscal year requirements are being reviewed at the beginning of the year to develop a total contract strategy for a particular technical program.

Acquisition plans for large requirements consider, as appropriate, the comparative benefits of awarding a new contract versus placing an order under an existing contract by reviewing in-house capabilities and capacity on current contracts. In addition, in FY 2008, the Superfund RCRA/Regional Procurement Operations Division developed a new internal website for procurement and program personnel to check the capacity and capability of existing contract vehicles. This was also utilized during FY 2009.

The EPA employs many market research techniques including publishing formal requests for information, querying government and commercial databases, counseling contractors on doing business with the EPA, holding pre-proposal conferences, and participating in events with industry, other acquisition officials, and the program office. The procurement staff utilizes sources sought synopses to determine appropriate acquisition type and ensure maximum consideration of small businesses. All acquisitions are posted in the EPA's Forecast Database and on our main website to maximize competition. Upon issuance of a new solicitation, the contracting officers routinely send e-mail notifications to sources identified by the program office and sources responding to the synopsis to ensure maximum response from contractors.

There are plans in place to provide maximum practicable opportunities for small businesses in both prime contracting and subcontracting. In FY 2009, the EPA awarded more than 47 percent of the EPA's total contract dollars to small businesses by awarding more than \$155 million to SDVOSB which equated to almost 9 percent of the EPA's total contract dollars up from \$50 million to SDVOSB in FY 2008 which equated to over 4 percent of the EPA's total contract dollars. EPA's Agency Goal for SDVOSB is 3%. In Region 1, their commitment to increase its usage of small businesses has resulted in a Region 1 Small Business Accomplishment change from 6.45% in FY 04 to 65.3% in FY 09. All of the region's major Superfund contracting mechanisms awarded in the past five years have provided enhanced opportunities for small businesses, notably in prime contracting. In Region 2, two Emergency & Rapid Response Services (ERRS) contracts, both awarded to large businesses, were due to expire in September 2009. It was determined that there were numerous qualified small business contractors that have the capabilities to meet the requirements so the solicitation for the follow-on contract was issued with the intent to award three contracts instead of the current two, with the hopes of expanding the pool of qualified contractors for future procurements. Two contracts will be awarded based on a Small Business Set-Aside, and one contract will be awarded based on a Service Disabled Veteran-Owned Business Set-Aside. (A protest delayed this procurement but awards are anticipated in the near future.) The Research Triangle Park Procurement Operations Division (RTPPOD) and the Cincinnati Procurement Operations Division (CPOD), the only two divisions that have small business specialists, continue to hold small business vendor outreach events as well as conduct training for the small business community to increase competition and the use of small businesses on their procurements.

One area that the EPA procurement personnel needs additional training and emphasizing is information in the electronic Subcontracting Reporting System (eSRS) to ensure that they are reviewing individual subcontract reports in the system. The ACA recommends monitoring of the electronic Subcontracting Reporting System (eSRS) to determine the barriers on approving or rejecting the Individual Subcontracting Reports to ensure the EPA Contracting Officers are providing the maximum practicable opportunities for small businesses in subcontracting. In addition, regular discussion with the Office of Small Business Programs (OSBP) should include the status of "accept/reject" of Summary Subcontract Reports, as OSBP is the approving office.

The EPA has processed no actions that meet the definition of contract bundling. Each major acquisition involving a number of separate tasks is reviewed to determine the acquisition method best suited to enhance competition. This includes examining each task and determining whether to separate tasks or combine them, depending on which method is most likely to generate the most competition.

B. Using competition in an effective manner

The EPA is proud of our efforts to ensure clear statements of work that provide sufficient information, so the companies may make informed business decisions on whether to respond and perform the due diligence necessary to propose the best solutions. In addition, the EPA also may publish proposed requirements for public comment prior to issuance of a solicitation. The EPA is working on moving much of our contract work to performance based listing clear performance measures and expectations related to qualify, responsiveness, timeliness, and cost. Competition is enhanced through the use of performance-based contracting, as it requires clear and measurable contract performance standards in terms of quality, quantity, and timeliness.

The EPA considers the complexity, commerciality, availability, and urgency in establishing due dates for proposals. All offices work to allow the maximum number of days for proposals to increase competition and encourage contractors to provide quality proposals that would allow for a best value award based on initial offers. It is the intent of the EPA to award based on initial offers as stated in solicitations issued by the agency.

During the evaluation process, the EPA takes into account recent and relevant past performance, including quality, timeliness, and cost control. The EPA relies on the National Institute of Health (NIH) past performance system and annually holds "stand down" days to remind Contracting Officer's to input and update the information on their existing contracts in the system so that current and relevant information is available for upcoming procurement opportunities.

C. Emphasizing sound contract management and oversight

The EPA ensures that properly trained contracting officer representatives (COR) are designated for contracts before contract performance begins. The requirements to be a COR are listed in the EPA policy guidance. OAM provides regular training and maintains the database of certified CORs, and the Contracting Officers ensure that proposed modifications are within the scope of the contract or order.

TRENDS ON ORDERS OVER \$1 MILLION

There are few trends in competition on orders over \$1 million as a result of EPA's commitment to competition. The few orders that were identified demonstrated that they were conducted with sufficient time to allow for competitive offers to be received. In one instance, the Contracting Officer allowed 30 days for offers and received nine offers, while in another situation the Contracting Officer allowed 42 days for offers and ten offers were received. Therefore, it appears that the Contracting Officer is making good judgments on the number of days needed for their particular requirements depending on the complexity of the requirement.

I received responses from nine (9) procurement offices that issued orders over \$1 million (RTPPOD, Superfund RCRA Regional Procurement Operations Division (SRRPOD), Region 1, Region 2, Region 3, Region 4, Region 5, Region 6, and Region 9), for a total of seventy-six (76) orders for the agency. Unfortunately, neither FPDS nor EPA's internal systems were able to accurately identify all the orders over \$1 million, which does not allow for a validation of the data.

The ACA will work with the procurement staff to implement a policy to require that any order over \$1 million, where there is more than one company under contract, including GSA orders, to submit a copy to the ACA for trend analysis.

SUMMARY & RECOMMENDATIONS

Thank you again for the opportunity to present this assessment of EPA's competition achievements and future plans to continue increasing competition on EPA's procurement opportunities. I believe that the EPA will continue to be one of the top agencies leading competition success as we will continue our aggressive acquisition planning efforts by implementing creative acquisition processes that expand competition, ensuring there are clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through EPA's dynamic real-time Forecast Database. I propose the following recommendations to help keep the EPA's competition practices strong.

1. The ACA will work with PTOD on establishing additional training opportunities on Fedbid.com to encourage its use as a tool for competition for supplies and lab equipment due to its enormous success at increasing competition, small business participation, and government savings.
2. The ACA will work with the OAM Managers to ensure monthly monitoring of the Forecast Database to ensure the data is current, accurate, and complete.
3. The ACA will work with the OAM Managers on monitoring of the electronic Subcontracting Reporting System (eSRS) to determine the barriers on approving or rejecting the Individual Subcontract Reports to ensure the EPA Contracting Officers are providing the maximum practicable opportunities for small businesses in subcontracting. In addition, regular discussions with the Office of Small Business Programs (OSBP) should include the status of "accept/reject" of Summary Subcontract Reports, as OSBP is the approving office.
4. The ACA will work with the OAM Managers to formalize a policy requiring that any order over \$1 million, where there is more than one company under contract, including GSA orders, be submitted to the ACA for trend analysis with the following information:
 - A. Contract Number and Order Number
 - B. Contracting Officer Name and Phone Number
 - C. Total Value of the Order
 - D. Product or Service Description in 10 words or less
 - E. NAICS Code for the Procurement
 - F. Program Office
 - G. Total number of companies under the contract
 - H. Total number of days allowed for receipt of proposals
 - I. Total number of offers received
 - J. The type of business that received the award, i.e., large business, small business, SDB, 8(a), WOSB, SDVOSB, or HUBZone
 - K. Provide a brief summary of what was done to enhance competition on the order or what barriers existed that limited competition. The items that can help enhance competition are a clear performance work statement with performance metrics, holding pre-proposal conferences, or allowing over 30 days for receipt offers.
5. The ACA will work with the Information Technology Service Center (ITSC) on the FPDS Change Control Board to ensure accurate reporting of orders over \$1 million. The ACA should also work with ITSC to establish a standard report in FPDS that can be utilized by EPA personnel to verify and validate these actions.
6. The ACA will work with the OAM Managers on the FPDS ad hoc report on sole-source actions over \$550K to ensure it is correct data as noted by the OAM staff and then re-run an FPDS report

to ensure that all sole-source actions over \$550K are correctly approved by the Competition Advocate.

Report Prepared by:

Susan Moroni

Susan Moroni,
Agency Competition Advocate
Office of Acquisition Management
Phone: 202-564-4321
E-mail: moroni.susan@epa.gov

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U.S. Environmental Protection Agency
Office of Acquisition Management

Competition Advocacy Program

Protecting Human Health & Safeguarding the Natural Environment
Through Innovative Solutions Realized From Creative and Competitive Contracting Methodologies

**Fiscal Year 2008
Agency Competition Advocate (ACA) Report**

EXECUTIVE SUMMARY

The Agency's Competition Advocate (ACA) is pleased to present this "state of competition" assessment of competition practices, achievements and future plans to continue increasing competition on the EPA's procurement opportunities. The EPA is committed to ensuring competition in new, current, and follow-on procurement opportunities as demonstrated by a high rate of competition actions in fiscal year (FY) 2008. In the Federal Procurement Data System (FPDS) report dated 9/30/08, the EPA is noted as having 74% competitive actions in FY 2008. Most significant this year was the Office of Federal Procurement Policy (OFPP) recognition of the EPA as having some of the most effective practices for enhancing competition in the Federal government.

The EPA's competition success is due to our aggressive acquisition planning efforts, implementing creative acquisition processes that expand competition, ensuring clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through the EPA's dynamic real-time Forecast Database. The greatest achievement from the EPA's competition practices is the expansion in the number of contract awards to small businesses. In FY 2007, the EPA awarded more than 41 percent of the EPA's total contract dollars to small businesses, which earned the EPA a 'green' rating, and we are on track for FY 2008 to exceed this percentage.

This year, the ACA was involved in many aspects to improving competition, such as:

1. Reducing the number of sole source actions.
2. Establishing quarterly reviews of expiring contracts to avoid sole source bridge contracts.
3. Improving the acquisition planning process through the annual acquisition call memo.
4. Recommending that "competition" be added to the OAM Vision and Value Statement.
5. Holding Contractor Forums in Washington, D.C., and Nashville, Tennessee.
6. Utilizing reverse auctions for supplies and equipment to improve competition.
7. Providing current, accurate, and complete information in the Forecast Database.
8. Completing a trend analysis on limited source justifications with recommendations to ensure the actions are justified by thorough analysis and documentation.
9. Establishing an FPDS ad hoc reports on sole-source actions over \$550K to ensure that files are correctly approved by the Competition Advocate.
10. Leading the Interagency Assisted Acquisition Work Group to ensure the new process would be collaborative, encourage communication, and encourage competition.

If you have any questions concerning this report, please contact Ms. Corinne Sisneros, EPA's Agency Competition Advocate, at (202) 564-4321 or by e-mail at sisneros.corinne@epa.gov

INTRODUCTION

The Agency Competition Advocate ensures that increasing competition remains a top priority within the EPA's Office of Acquisition Management, and all the EPA buying activities in Washington, D.C., Cincinnati, Ohio, Research Triangle Park, North Carolina, nine (9) regional procurement offices, and eleven (11) laboratories around the country. The Agency continues to emphasize competition in the acquisition of its requirements, resulting in impressive savings to taxpayers and increasing the contractor market. Competition is the cornerstone of our acquisition system and this report will demonstrate how the EPA facilitates efficient and effective competition. This report details EPA's FY 2008 competition results, the role of the Agency Competition Advocate, and actions underway to strengthen the Competition Advocacy Program at the EPA. In addition, this report contains recommendations for reinforcing the use of competition practices for strengthening the Agency's competitive environment.

SPECIFIC AREAS IN WHICH COMPETITION HAS BEEN ENHANCED

The Agency's Competition Advocate (ACA) has been referred to as the "Gate Keeper" for ensuring competition by EPA's Office of Inspector General. The ACA has had significant success this year in reducing the number of sole source justifications. The ACA meets with the program office and contracting officer when any sole source action requires the review or approval of the Competition Advocate. In this meeting the ACA asks the difficult and probing questions about what they are doing and how they will ensure that there are no barriers to future competition. This review process has streamlined the review and resulted in many sole source situations being reconsidered and even cancelled. The ACA and the Office of General Counsel (OGC) jointly meet with the contracting officer and the project officer to ensure there is a consistency in the documentation and requirements for sole source actions. The meetings have reduced redundant reviews and help ensure sole source actions are justified.

Reducing Sole Source Actions

The ACA was instrumental in reducing the number of sole source actions. The first notable sole source action that was not allowed was being processed in the Cincinnati Procurement Operations Division (CPOD). The Contracting Officer (CO) placed a requirement under GSA's Specific Item Number (SIN) 871-7 for professional engineering services schedules, but there were multiple vendors under SIN 871-6 that believed they qualified to bid. The CO issued an amendment that stated the vendors had to be under SIN 871-7 and allowed contractors time to incorporate that SIN into their GSA contract. Unfortunately, only one contractor that submitted a quote was under SIN 971-7, thereby creating a sole source action that was not justified. The CPOD attorney elevated the issue to the ACA who held several conference calls with the CO, program office, legal, and the Division Director. Ultimately, the ACA recommended that the procurement be cancelled, and the CO followed this recommendation. The CPOD attorney provided the most thorough review of the facts in this action and by elevating the issue to the ACA he prevented a competition error and was recognized by the ACA for his effort!

There was another sole source action that was not allowed in the Office of Environmental Information for Developmental Services Consolidation. There were various meetings held with the customer who wanted to proceed with a sole-source with CSC to continue CDX services for another year, but it was not supported by a strong basis. The procurement office is working with the customer on an overall acquisition strategy for their procurement needs that will include competition and partial set-aside for small businesses for these services.

Another notable sole source action that was not allowed was in Region 9 when they wanted to issue a \$9 million sole-source bridge contract for Remedial Action Contract due to a protest filed at the Government Accountability Office (GAO). The ACA denied this request as there is sufficient crossover capability available on existing contracts from other regions. The program customer through the crossover contract capability will still receive its needed support.

Establishing Quarterly Reviews of Expiring Contracts

A best practice that the ACA continues to emphasize in the Director's meetings with the Senior Resource Officials, and is being put into practice, is the quarterly monitoring of the expiration of existing contracts in the upcoming nine-month period and to send reminder notices to their customers to help meet their need dates if a procurement package has not been received. The nine-month tracking date is what is included in the annual acquisition call memo. The Information Resource Management Procurement Service Center in the Headquarters Procurement Operations Division is using this best practice to ensure that they can meet their customer contract need dates. The ACA recommends that this best practice be implemented agency-wide to quarterly monitor the expiration of existing contracts in the upcoming nine-month period and to send reminder notices to the customers to help meet their need dates to avoid unnecessary bridge contracts due to delay in acquisition planning.

Improving Acquisition Planning

The ACA issues the annual "Call Memo" requesting acquisition plans. The call letter provides clear instructions and examples of the necessary information to help encourage competition. The ACA revised the requirements to increase the data needed for the upcoming year to enhance competition. The call letter this year included a specific deadline for when new requirements are to be submitted to the procurement offices, which many program offices have found helpful in understanding the complexity and importance of true acquisition planning.

Recommending Competition is added to the OAM Vision

At the OAM Manager's Meeting held on July 30, 2008, the ACA recommended that "competition" be added to the OAM Vision and Core Values, which was accepted by the managers. The ACA recommends this suggestion be incorporated by the new OAM Director.

Holding Contractor Forums to Increase Competition

The ACA conducted two (2) Contractor Forums in fiscal year 2008, and have been noted by many companies as providing the best information on doing business with the Federal Government. The Contractor Forums encourage competition by bringing EPA program personnel together with small, medium, and large businesses to talk about future opportunities and provide information on doing business with the EPA. In October 2007, the Contractor Forum was held in Washington, D.C. with over 200 contractors participating. The agenda included presentations from our program offices on their future procurement opportunities as well as a presentation on proposal preparation tips and demystifying the technical evaluation process. Break out sessions were held in the afternoon on maximizing subcontracting opportunities and procurement policy updates. In June 2008, the Contractor Forum was held in Nashville, Tennessee, with more than 100 contractors participating. The agenda included presentations from our program offices on their future procurement opportunities as well as a presentation on debriefing tips.

Utilizing Reverse Auction Techniques

The ACA brought forward the idea to EPA staff about five years ago to encourage the use of Fedbid.com (located on the internet at <http://www.fedbid.com>) which is a reverse auction site. The use of Fedbid.com has contributed greatly toward increasing competition for various types of lab equipment and supplies that many program offices thought were only available through some limited sources. In fiscal year 2008, EPA's use of Fedbid.com totaled 173 reverse auctions, with an average number of sellers notified of each bid at 1,560 invited to bid, an average of 12 bids per auction, an average of over 5% savings from the government estimate, and 75% of the awards going to small businesses. In the new fiscal year, the ACA recommends that additional training opportunities on Fedbid.com be provided to encourage its use as a tool for competition for supplies and lab equipment.

Providing "real-time" procurement opportunities in the Forecast Database

The ACA developed and monitors EPA's dynamic real-time Forecast Database, which is on the Internet at <http://www.epa.gov/oam>. The Forecast Database contains detailed information on current and future procurement opportunities, including the contact person, due dates, statements of work, and all other relevant information. The EPA's Forecast Database equips small businesses interested in doing business with the EPA with the information they need to effectively compete for Agency contracts. The Forecast Database has been used as a model by other agencies that are trying to enhance competition and has been recognized by companies interested in doing business with the EPA as an extremely valuable tool. The ACA has promoted aggressive efforts to ensure that the data is current, accurate and complete. The continuous improvements to our Internet site have provided more user-friendly features and access to more information. These improvements continue to result in fewer telephone calls to buyers and contracting officers for information which is now easily assessable and readily available on the Internet. The continuous improvements to our web site broaden communication between industry and the Government which facilitates more competition. The ACA recommends quarterly monitoring of the Forecast Database to ensure the data is current, accurate, and complete.

Completing a Trend Analysis on Limited Sources Justifications

This year the ACA completed a trend analysis on fiscal year 2006 GSA Limited Source Justifications. As required by Chapter 8, of the Contracts Management Manual (CMM) entitled, Sole Source Justifications, this memorandum documents fiscal year (FY) 2006 trend analysis of limited source justifications (LSJ) for orders issued under the General Services Administration (GSA) Federal Supply Schedules. This trend analysis was conducted by comparing how well the Agency contracting officers abided by the documentation, review, and approval requirements for limited source justifications (LSJ) under the Federal Acquisition Regulation (FAR) 8.4, that are below the approval level of the Agency Competition Advocate. The ACA did individual reviews of sixty-six (66) LSJs and provided the details to each division for their review along with the proposed recommendations. There were no exceptions or dissensions to the recommendations, which I will also incorporate into this report. The following is a summary of the recommendations proposed on the LSJ trend analysis.

1. The ACA recommends that a review of sole source actions should be made part of the Quality Assurance Plans (QAP) with a copy of the reviews submitted to the Agency Competition Advocate when deficiencies are noted on sole source actions, so that necessary training can be developed or tailored to address those specific concerns.

2. The ACA recommends that Chapter 8 of the Contracts Management Manual (CMM) should be revised to remove the annual trend analysis requirement, as it is not feasible for the Agency Competition Advocate to annually review over 600 limited source justifications and recommend corrections as the actions may be closed by the time the review is completed.
3. The ACA recommends the CMM be revised to correct "Sole Source Justifications" to "Limited Source Justification" for consistency with the FAR and to avoid confusion with FAR Part 13.
4. The ACA recommends that an intranet accessible website be established with sample sole source justifications to show the correct documentation needed, information needed to help make best value determinations, e-buy posting requirements, and the approval levels.
5. The ACA recommends that training sessions be developed to discuss the different justifications for FAR Parts 6, 8, and 13.
6. The ACA recommends a policy flash notice be issued to discuss the following items:
 - a. Explain the different requirements of sole-source actions under FAR Parts 6, 8, and 13.
 - b. Explain the different requirements for the various dollar levels.
 - c. Explain the documentation requirements.
 - d. Explain that brand name items are required to be posted on e-buy in accordance with FAR 8.405-6 (d).
 - e. Explain the SmartBUY initiative to support effective enterprise level software management through the aggregate buying of commercial software government-wide in an effort to achieve bulk savings.
7. The ACA recommends that the approval level for limited source justifications to be elevated to one-level above the contracting officer to ensure that the proper procedures are being followed and until a further review or analysis of limited source justifications does not uncover these deficiencies.
8. The ACA recommends the Agency's strategic sourcing office review this report for possible consideration for future initiatives for cell phones, environmental education subscriptions, library subscriptions, and software licensing agreements, to ensure the best price agency-wide.

Establishing an FPDS Ad Hoc Report on Sole Source Actions Over \$550K

The ACA created an ad hoc report in FPDS in response to the Office of Inspector General (OIG) audit that found a few sole-source actions over \$550K that were not approved by the Competition Advocate, which required by the Acquisition Handbook, Unit 4. The ACA committed to developing a report showing all sole-source actions over \$550K and to ensure that the files are correctly approved by the Competition Advocate. The ACA sent the report to the OAM Managers to review the report for accuracy and to ensure that the correct documentation and approvals are in the file. The preliminary findings on this report are that the data in FPDS is not accurate and there are many actions that are coded as noncompetitive that were competitive. The ACA recommends that the FPDS report on sole-source actions over \$550K be corrected as noted by the OAM staff and re-run an FPDS report to ensure that all sole-source actions over \$550K are correctly approved by the Competition Advocate. A very important note on the OIG review of the EPA's competition practices is that they did not find any deficiencies in ensuring competition from the Agency Competition Advocate, only that the existing controls were not followed.

Leading the Interagency Assisted Acquisition Work Group

The ACA was tasked by the OAM Director to lead the Interagency Assisted Acquisition (IAA) Work Group to develop the new procurement policy and process that would address the Office of Federal Procurement Policy (OFPP) new guidance that requires a best interest determination when using an IAA. The ACA recognized the work group for its dedicated time and effort that helped develop a policy and template in record time that is collaborative, encourages communication, and enhances competition. The ACA recommends that OAM continue to review the possibility of establishing an internal list of contracts with available capacity and to post the information to the OAM intranet. This information will allow use of internal competitive contracts that are underutilized as a competitive option to help the program offices that only know of the external contracts under interagency agreements.

COMPETITION DATA

The EPA is committed to ensuring competition in new, current, and follow-on procurement opportunities as demonstrated by a high rate of competition actions in fiscal year (FY) 2008. In the Federal Procurement Data System (FPDS) report dated 9/30/08, the EPA is noted as having 74% competitive actions in FY 2008, and the EPA has been recognized by the Office of Federal Procurement Policy as having some of the most effective practices for enhancing competition in the Federal government.

The ACA recommends that the EPA rely on FPDS data for reporting competition data and correct the errors in the internal data that is reported in FPDS to accurately reflect our competition success. The ACA has placed several help desk tickets requesting review of the EPA internal competition data to match FPDS reporting (Tickets #16609, #5858, #14253, #15377, #17486, #17901, #18800, and #19638). The ACA reported in the FY 2007, Competition Advocate Report that EPA achieved 82% competition rate based on internal contract data, only to realize after the report was filed that the columns were not calculated correctly, which showed, when corrected, that the EPA actually achieved 90% competition rate. However, the FPDS competition report shows a significantly different rate. As the EPA is accountable for the data in FPDS, the ACA recommends the EPA use the FPDS data, and work to correct the data in FPDS. The main problems that need to be corrected are the actions being reported as "noncompetitive" that are not, and the FPDS data that shows significant dollars under "null data" which needs to be added. I also recommend that the FPDS data coding be clarified to ensure there is a connection to Division & Program Office. The ACA further recommends that we set a standard report that can be utilized by the EPA procurement personnel to verify and validate competitive actions are appropriately listed. The ACA generated a new help desk ticket #22212 with this suggestion and recommends that this action is completed to get the EPA internal data and FPDS data to accurately reflect the EPA's competition success.

ROLE OF THE AGENCY COMPETITION ADVOCATE

The EPA has been successful in conducting full and open competition by ensuring that all personnel involved in the procurement process, from identification of the requirement through final payment on the contract, work as a team to maximize competition. The ACA's primary responsibilities are to:

- Develop, direct, and maintain the competition program to ensure that competition initiatives are incorporated and implemented at all levels.

- Promote the use of and challenge barriers to full and open competition in all acquisitions.
- Identify and report opportunities and actions taken to achieve, and any conditions or actions which unnecessarily restrict the use of full and open competition.
- Ensure that oversight mechanisms are established to provide visibility on any issues or obstacles to obtaining competition.
- Ensure that competition is planned early in the acquisition process to minimize factors inhibiting full and open competition.
- Promote market research to identify competition potential in support of acquisition strategies before the procurement decision is irrevocably made.
- Ensure that acquisition plans maximize competition.
- Review and approve sole source actions exceeding \$550,000, and Determinations and Findings for exclusion of certain sources.
- Prepare and submit annual reports describing activities, new initiatives, and recommendations on improving competition.
- Serve as the EPA spokesperson for competition to industry, other Government agencies, and EPA Program Offices.

ACTIONS THAT LIMIT COMPETITION

The Federal Acquisition Regulation (FAR) provides three distinct methods for limiting competition. First, FAR Subpart 6.3—Other Than Full and Open Competition, provides the policies and procedures, and identifies the statutory authorities for contracting without providing for full and open competition. Second, FAR Subpart 8.405-6 — Limited Sources Justification and Approval, provides that orders placed under Federal Supply Schedules are exempt from the requirements in Part 6. However, an ordering activity must justify its action when: only one source is capable of responding due to the unique or specialized nature of the work; the new work is a logical follow-on; or on an urgent and compelling need exist. Third, FAR Subpart 13.501— Special documentation requirements, allows sole source (including brand name) acquisitions for certain commercial items. For the purpose of this report, these three methods for limiting competition will be uniformly referred to as sole-source actions. It is also worthy to note that there are some noncompetitive awards that require no further justification (e.g., awards to an 8(a) firm, public utility, or a source authorized or required by statute) and these actions are not included or addressed in this report.

The sole source actions that are submitted for the approval of the ACA are usually limited to those instances where, for example, the Agency had no other choice but to award on a noncompetitive basis if scientific objectives and Congressional mandates were necessary, when the public health and welfare were at stake, or when time was of the essence to alleviate an immediate danger. The EPA is an agency that is required to protect human health and the environment in the case of a terrorist attack or national emergency, and has issued class justifications to be prepared for these situations. These sole source vehicles are only to be utilized in rare circumstances when competition is not possible due to emergency health and environmental threats. With the availability of a document which can be invoked in a

qualifying emergency, the EPA will not need to issue a new document at a point where it may be impossible. We cannot determine this impact to our competition.

The ACA, with the cooperation of contract and program personnel, will take steps to ensure that there are no noncompetitive awards to continue on-going programs caused by delayed procurement awards due to poor advance planning and monitoring of current contracts.

The EPA will continue to strive to reduce noncompetitive acquisition situations. Under many of its programs, the EPA has significantly broadened the contractor base and provided opportunities for more companies to compete. All of the EPA's contract personnel and program personnel are working to increase competition and develop additional sources to satisfy EPA's requirements. In instances where an incumbent has repeatedly received follow-on contracts, additional sources are developed by continuing to break out requirements and allowing the incumbent and the prospective contractors to propose on only a single part of the requirement. By this "exclusion of sources" method of acquisition, the Agency is developing sources and broadening its contractor base.

ASSESSMENT OF COMPETITION PRACTICES

The Agency continued to enhance competition through the use of innovative procurement techniques. For all procurement opportunities, full and open competition was stressed as the most desirable method of acquisition and was pursued aggressively. In assessing the state of competition practices at the EPA for FY 2008, I utilized the format provided by OFPP in its letter dated May 31, 2007. The following details the results of my review based on responses provided from the EPA procurement offices.

A. Ensuring sufficient attention to the manner in which acquisitions are planned

The ACA and procurement offices have taken numerous actions to ensure that there is sufficient attention being paid to the manner in which acquisitions are planned. It is clear that acquisition planning is the one of the best ways to ensure competition. At the EPA, we utilize cross-functional teams in the acquisition planning process, which includes the procurement staff, program office, and the small business office. Detailed acquisition planning meetings are held with each individual customer to go over the next two years acquisition plans to determine strategies to enhance competition, including small business participation. At these planning meetings, the team discusses how competition will be sought and promoted. These planning meetings set forth strategy and identify and help prevent potential future noncompetitive awards. In some instances, all fiscal year requirements are being reviewed at the beginning of the year to develop a total contract strategy for a particular technical program. EPA's Policy, Training, and Oversight Division (PTOD) has been working on updating the EPA Contract Management Manual (CMM) to formalize the acquisition plan to require approval signatures and re-approval if the competition decisions change from the initial acquisition plan.

Acquisition plans for large requirements consider, as appropriate, the comparative benefits of awarding a new contract versus placing an order under an existing contract by reviewing in-house capabilities and capacity on current contracts. In addition, in FY 2008, the Superfund RCRA/Regional Procurement Operations Division developed a new internal website for procurement and program personnel to check the capacity and capability of existing contract vehicles.

The EPA employs many market research techniques including publishing formal requests for information, querying government and commercial databases, counseling contractors on doing business with the EPA, holding pre-proposal conferences, and participating in events with industry, other acquisition officials, and the program office. The procurement staff utilizes sources sought synopses to determine appropriate acquisition type and ensure maximum consideration of small businesses. All acquisitions are posted in the EPA's Forecast Database and on our main website to maximize competition. Upon issuance of a new solicitation, the contracting officers routinely send email notifications to sources identified by the program office and sources responding to the synopsis to ensure maximum response from contractors.

There are plans in place to provide maximum practicable opportunities for small businesses in both prime contracting and subcontracting. In FY 2007, the EPA awarded more than 41 percent of the EPA's total contract dollars to small businesses, and is on target to exceed this rate in FY 2008. Most significant is the fact that in FY 2007, the EPA exceeded the 3 percent goal for total awards to service-disabled veteran-owned small businesses (SDVOSB) by awarding more than \$50 million to SDVOSB which equated to more than 4 percent of the EPA's total contract dollars. One area that the EPA procurement personnel need additional training and emphasizing is information in the electronic Subcontracting Reporting System (eSRS) as I have noted high numbers of individual subcontract reports that need to be reviewed. The ACA recommends monitoring of the electronic Subcontracting Reporting System (eSRS) to determine the barriers on approving or rejecting the Individual Subcontract Reports to ensure the EPA Contracting Officers are providing the maximum practicable opportunities for small businesses in subcontracting. In addition, the ACA recommends reissuing of the ACA samples of notes that procurement personnel can use when rejecting an individual subcontracting plan. Also, regular discussion with the Office of Small Business Programs (OSBP) should include the status of "accept/reject" of Summary Subcontract Reports, as OSBP is the approving office.

The EPA has processed no actions that meet the definition of contract bundling. Each major acquisition involving a number of separate tasks is reviewed to determine the acquisition method best suited to enhance competition. This includes examining each task and determining whether to separate tasks or combine them, depending on which method is most likely to generate the most competition.

B. Using competition in an effective manner

The EPA is proud of our efforts to ensure clear statements of work that provide sufficient information, so that companies may make informed business decisions on whether to respond and perform the due diligence necessary to propose the best solutions. In addition, the EPA also may publish proposed requirements for public comment prior to issuance of a solicitation. The EPA is working on moving much of our contract work to performance based by listing clear performance measures and expectations related to quality, responsiveness, timeliness, and cost. In FY 2008, the EPA acquisition call memo specifically stated that all new eligible service contract acquisitions must be performance-based, unless otherwise justified. Competition is enhanced through the use of performance-based contracting, as it requires clear and measurable contract performance standards in terms of quality, quantity, and timeliness.

The EPA considers the complexity, commerciality, availability, and urgency in establishing due dates for proposals. All offices work to allow the maximum number of days for proposals to increase competition and encourage contractors to provide quality proposals that would allow for a best value award based on initial offers. It is the intent of the EPA to award based on initial offers and we reemphasized this point to our contractor community at the EPA Contractor Forum held on October 24, 2007, in Washington, D.C., and in the presentation on Technical Evaluation Process given by the Division Director in the Research Triangle Park Procurement Operations Division.

During the evaluation process, the EPA takes into account recent and relevant past performance, including quality, timeliness, and cost control. The EPA relies on the National Institutes of Health (NIH) past performance system and annually holds "stand-down" days to remind Contracting Officer's to input and update the information on their existing contracts in the system so that current and relevant information is available for upcoming procurement opportunities.

The Agency Competition Advocate tried to verify and validate competitive and noncompetitive data in FPDS, but had difficulty. Based on the ACA discussion with OFPP and the FPDS help desk, a new report for competitive and noncompetitive data is being generated. It is also one of the ACA recommendations to internally create a report to review noncompetitive data to ensure it is accurately reported.

C. Emphasizing sound contract management and oversight

The EPA ensures that properly trained contracting officer representatives (COR) are designated for contracts before contract performance begins. The requirements to be a COR are listed in the EPA policy guidance. OAM provides regular training and maintains the database of certified CORs, and the Contracting Officers ensure that proposed modifications are within the scope of the contract or order.

TRENDS ON ORDERS OVER \$1 MILLION

There are few trends in competition on orders over \$1 million as a result of EPA's commitment to competition. The few orders that were identified demonstrated that they were conducted with sufficient time to allow for competitive offers to be received. In one instance, the Contracting Officer allowed 60 days for offers and received two offers, while in another situation the Contracting Officer allowed 13 days for offers and four offers were received. Therefore, it appears that the Contracting Officers are making good judgements on the number of days needed for their particular requirements depending on the complexity of the requirement.

I received responses from four (4) procurement offices that issued orders over \$1 million (Cincinnati Procurement Operations Division (CPOD), Research Triangle Park Procurement Operations Division (RTPPOD), Region VII and Region IV), for a total of thirteen (13) orders for the agency. Unfortunately, neither FPDS nor EPA's internal systems were able to accurately identify all the orders over \$1 million, which does not allow for a validation of the data.

The ACA recommends that with the OAM Managers that they implement a policy to require that any order over \$1 million, where there is more than one company under contract, including GSA orders, to submit a copy to the ACA for trend analysis.

SUMMARY & RECOMMENDATIONS

Thank you again for the opportunity to present this assessment of EPA's competition achievements and future plans to continue increasing competition on EPA's procurement opportunities. I believe that the EPA will continue to be one of the top agencies leading competition success as we will continue our aggressive acquisition planning efforts by implementing creative acquisition processes that expand competition, ensuring there are clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through EPA's dynamic real-time Forecast Database. I propose the following recommendations to help keep the EPA's competition practices strong.

1. EPA's Policy, Training, and Oversight Division (PTOD) and the ACA should work together to complete the updates to the Contract Management Manual (CMM) to formalize changes requiring approval signatures of the acquisition plan and re-approval if the competition decision changes from the initial acquisition plan.
2. The ACA recommends that the EPA rely on FPDS data for reporting competition data and correct the errors in the internal data that is reported in FPDS to accurately reflect our competition success. The main problems that need to be corrected are the actions being reported as "noncompetitive" that are not, and the FPDS data that shows significant dollars under "null data" which needs to be added. The ACA also recommend that the FPDS data coding be clarified to ensure there is a connection to Division & Program Office. The ACA further recommends that we set a standard report that can be utilized by the EPA procurement personnel to verify and validate competitive actions are appropriately listed. The ACA should work with the Information Technology Service Center (ITSC) on the necessary changes and corrections.
3. The ACA should work with PTOD to post standard format examples of the varying sole source documents to avoid the confusion of citing the wrong authority or using the wrong format to ensure clear documentation when sole source actions are necessary.
4. The ACA recommends agency-wide implementation of the best practice of quarterly monitoring the expiration of existing contracts in the upcoming nine-months and to send reminder notices to our customers to help meet their need dates to avoid unnecessary bridge contracts due to delay in acquisition planning.
5. The ACA should work with the Information Technology Service Center (ITSC) on the FPDS Change Control Board to ensure accurate reporting of orders over \$1 million. The ACA should also work with ITSC to establish a standard report in FPDS that can be utilized by EPA personnel to verify and validate that these actions.
6. The ACA should work with the OAM Managers to formalize a policy requiring that any order over \$1 million, where there is more than one company under contract, including GSA orders, be submitted to the ACA for trend analysis with the following information:
 - A. Contract Number and Order Number
 - B. Contracting Officer Name and Phone Number
 - C. Total Value of the Order
 - D. Product or Service Description in 10 words or less
 - E. NAICS Code for the Procurement

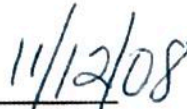
- F. Program Office
 - G. Total number of companies under the contract
 - H. Total number of days allowed for receipt of proposals
 - I. Total number of offers received
 - J. The type of business that received the award, i.e., large business, small business, SDB, 8(a), WOSB, SDVOSB, or HUBZone
 - K. Provide a brief summary of what was done to enhance competition on the order or what barriers existed that limited competition. The items that can help enhance competition are a clear performance work statement with performance metrics, holding pre-proposal conferences, or allowing over 30 days for receipt of offers.
7. The ACA should work with the OAM Managers to establish a system of recognition for Contracting Officers, and others in authority, to promote competition in acquisition.
 8. The ACA should work with the OAM Managers on the FPDS ad hoc report on sole-source actions over \$550K to ensure it is correct data as noted by the OAM staff and re-run an FPDS report to ensure that all sole-source actions over \$550K are correctly approved by the Competition Advocate.
 9. The ACA in July 30, 2008, at the OAM Manager's Retreat recommended that "competition" be added to the OAM Vision and Core Values, which was accepted by the managers at the meeting. The ACA should work with the OAM Managers to finalize the change in the OAM Vision and Core Values.
 10. The ACA should work with PTOD on establishing additional training opportunities on Fedbid.com to encourage its use as a tool for competition for supplies and lab equipment due to its enormous success at increasing competition, small business participation, and government savings.
 11. The ACA should work with the OAM Managers to ensure quarterly monitoring of the Forecast Database to ensure the data is current, accurate, and complete.
 12. The ACA should work with the OAM Managers on monitoring of the electronic Subcontracting Reporting System (eSRS) to determine the barriers on approving or rejecting the Individual Subcontract Reports to ensure the EPA Contracting Officers are providing the maximum practicable opportunities for small businesses in subcontracting. In addition, the ACA should work with PTOD on reissuing of the ACA samples of notes that procurement personnel can use when rejecting an individual subcontracting plan. Also, regular discussion with the Office of Small Business Programs (OSBP) should include the status of "accept/reject" of Summary Subcontract Reports, as OSBP is the approving office.
 13. The ACA should work with the OAM Managers to review the possibility of establishing an internal list of contracts with available capacity and to post the information to the OAM intranet. This information will allow use of internal competitive contracts that are underutilized as a competitive option to help the program offices that only know of the external contracts under interagency agreements.

14. The following is a summary of the recommendations proposed on the LSJ trend analysis.
- a. The ACA recommends that a review of sole source actions should be made part of the Quality Assurance Plans (QAP) with a copy of the reviews submitted to the Agency Competition Advocate when deficiencies are noted on sole source actions, so that necessary training can be developed or tailored to address those specific concerns.
 - b. The ACA recommends that Chapter 8 of the Contracts Management Manual (CMM) should be revised to remove the annual trend analysis requirement, as it is not feasible for the Agency Competition Advocate to annually review over 600 limited source justifications and recommend corrections as the actions may be closed by the time the review is completed.
 - c. The ACA recommends the CMM be revised to correct "Sole Source Justifications" to "Limited Source Justification" for consistency with the FAR and to avoid confusion with FAR Part 13.
 - d. The ACA recommends that an intranet accessible website be established with sample sole source justifications to show the correct documentation needed, information needed to help make best value determinations, e-buy posting requirements, and the approval levels.
 - e. The ACA recommends that training sessions be developed to discuss the different justifications for FAR Parts 6, 8, and 13.
 - f. The ACA recommends a policy flash notice be issued to discuss the following items:
 - i. Explain the different requirements of sole-source actions under FAR Parts 6, 8, and 13.
 - ii. Explain the different requirements for the various dollar levels.
 - iii. Explain the documentation requirements.
 - (1) Explain that brand name items are required to be posted on e-buy in accordance with FAR 8.405-6 (d).
 - iv. Explain the SmartBUY initiative to support effective enterprise level software management through the aggregate buying of commercial software government-wide in an effort to achieve bulk savings.
 - g. The ACA recommends that the approval level for limited source justifications to be elevated to one-level above the contracting officer to ensure that the proper procedures are being followed and until a further review or analysis of limited source justifications does not uncover these deficiencies.
 - h. The ACA recommends the Agency's strategic sourcing office review this report for possible consideration for future initiatives for cell phones, environmental education subscriptions, library subscriptions, and software licensing agreements, to ensure the best price agency-wide.

SIGNATURE

Report Prepared by:





Corinne M. Sisneros, Agency Competition Advocate

Date

Office of Acquisition Management

Phone: (202) 564-4321 E-mail: sisneros.corinne@epa.gov

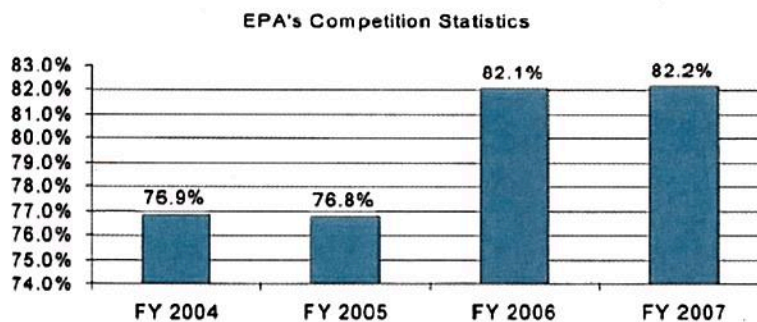


**U.S. Environmental Protection Agency
Office of Acquisition Management
Competition Advocacy Program
Protecting Human Health & Safeguarding the Natural Environment
Through Innovative Solutions Realized From Creative and Competitive Contracting Methodologies**

**Fiscal Year 2007
Agency Competition Advocate (ACA) Report**

EXECUTIVE SUMMARY

The Agency's Competition Advocate (ACA) is pleased to present this assessment of competition practices, achievements and future plans to continue increasing competition on the EPA's procurement opportunities. The EPA is committed to ensuring competition in new, current, and follow-on procurement opportunities as demonstrated by a trend of increasing competition actions and with more than 82% of acquisitions that were conducted competitively in fiscal year (FY) 2007. This exceptionally high rate of competitive awards is a major achievement of which we are very proud. In FY 2006, the EPA was recognized by the Office of Federal Procurement Policy as having the third highest competition rate of federal agencies.



The EPA's competition success is due to our aggressive acquisition planning efforts, implementing creative acquisition processes that expand competition, ensuring clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through the EPA's dynamic real-time Forecast Database. The greatest achievement from the EPA's competition practices is the expansion in the number of contract awards to small businesses. In FY 2007, the EPA awarded more than 41 percent of the EPA's total contract dollars to small businesses.

If you have any questions concerning this report, please contact Ms. Corinne Sisneros, EPA's Agency Competition Advocate, at (202) 564-4321 or by e-mail at sisneros.corinnec@epa.gov

INTRODUCTION

The Agency Competition Advocate ensures that increasing competition remains a top priority within the EPA's Office of Acquisition Management, and all the EPA buying activities in Washington, D.C., Cincinnati, Ohio, Research Triangle Park, North Carolina, nine (9) regional procurement offices, and eleven (11) laboratories around the country. The Agency continues to emphasize competition in the acquisition of its requirements, resulting in impressive savings to taxpayers and increasing the contractor market. Competition is the cornerstone of our acquisition system and this report will demonstrate how the EPA facilitates efficient and effective competition. This report details EPA's FY 2007 competition results, the role of the Agency Competition Advocate, and actions underway to strengthen the Competition Advocacy Program at the EPA. In addition, this report contains recommendations for reinforcing the use of competition practices for strengthening the Agency's competitive environment.

SPECIFIC AREAS IN WHICH COMPETITION HAS BEEN ENHANCED

The Agency's Competition Advocate (ACA) has been referred to as the "Gate Keeper" for ensuring competition by EPA's Office of Inspector General. The ACA has had significant success this year in reducing the number of sole source justifications. The ACA meets with the program office and contracting officer when any sole source action requires the review or approval of the Competition Advocate. In this meeting the ACA asks the difficult and probing questions about what they are doing and how they will ensure that there are no barriers to future competition. This review process has streamlined the review and resulted in many sole source situations being reconsidered and even cancelled. One notable sole source was cancelled this year for \$45 million for EPA's Clean Markets Division where the EPA may have unintentionally backed into a sole source by relying on a proprietary model. The ACA identified significant concerns that there were barriers to future competition, and as a result requested information on the proprietary nature of the intellectual property rights the model would use and information on previous contracts with the data rights clause. As a result, the sole source action was cancelled and the procurement is being broken into smaller acquisitions. The Contracting Officer and the program office are working on additional tasks to the current statement of work and the competition is being opened to more vendors. The new plan for the procurement is to award up to two large businesses and three small businesses. The goal of this strategy is to find new models and the necessary support to ensure there are no barriers to future competition.

The ACA and the Office of General Counsel (OGC) have started to jointly meet with the contracting officer and the project officer to ensure there is a consistency in the documentation and requirements for sole source actions. This resulted from a handful of situations where OGC had approved sole source actions and the ACA either denied the action or revised significantly. In one situation, an 8(a) sole source action was processed under FAR Part 6, which was not necessary, and in other situations where there was either insufficient or weak documentation. The meetings have reduced redundant reviews and help ensure sole source actions are justified.

The ACA issues the annual "Call Letter" requesting acquisition plans. The call letter provides clear instructions and examples of the necessary information to help encourage competition. The ACA revised the requirements to increase the data needed for the upcoming year to enhance competition. The call letter this year included a specific deadline for when new requirements are to be submitted to the procurement offices, which many program offices have found helpful in understanding the complexity and importance of true acquisition planning.

The ACA conducted two (2) Contractor Forums in fiscal year 2007. The Contractor Forums encourage competition by bringing EPA program personnel together with small, medium and large businesses to talk about future opportunities and provide information on doing business with the EPA. In May, the Contractor Forum was held in New York City with more than 100 contractors participating. The agenda included presentations from our program offices on their future procurement opportunities as well as a presentation on cost realism. We held one-on-one counseling sessions for small businesses with counselors from EPA prime contractors, EPA contracting officers, EPA program personnel, and the U.S. Small Business Administration. In October, the Contractor Forum was held in Washington, D.C. with more than 200 contractors participating. The agenda included presentations from our program offices on their future procurement opportunities as well as a presentation on the technical evaluation process. We held break out sessions for small businesses with EPA prime contractors. The Contractor Forums have been noted by companies as providing the best information on doing business with the Federal Government.

The ACA brought forward the idea to EPA staff about five years ago to encourage the use of Fed Bid.com (located on the internet at <http://www.fedbid.com>) which is a reverse auction site. The use of Fedbid.com has contributed greatly toward increasing competition for various types of lab equipment and supplies that many program offices thought were only available from limited sources. In fiscal year 2007, EPA's use of Fedbid.com totaled 94 reverse auctions, an average of 22 bids, savings of almost 14% from the government estimate, and over half of the awards going to small businesses. In the new fiscal year, the Competition Advocate is planning to schedule additional training opportunities on Fedbid.com to continue to encourage its use as a tool for competition for supplies and lab equipment.

The ACA developed and monitors EPA's dynamic real-time Forecast Database, which is on the Internet at <http://www.epa.gov/oam>. The Forecast Database contains detailed information on current and future procurement opportunities, including the contact person, due dates, statements of work, and all other relevant information. The EPA's Forecast Database equips small businesses interested in doing business with the EPA with the information they need to effectively compete for Agency contracts. The Forecast Database has been used as a model by other agencies that are trying to enhance competition and has been recognized by companies interested in doing business with the EPA as an extremely valuable tool. The ACA has promoted aggressive efforts to ensure that the data is current, accurate and complete. The continuous improvements to our Internet site have provided more user-friendly features and access to more information. These improvements continue to result in fewer telephone calls to buyers and contracting officers for information which is now easily assessable and readily available on the Internet. The continuous improvements to our web site broaden communication between industry and the Government which facilitates more competition.

COMPETITION DATA

The EPA conducted more than 82% of acquisitions competitively in fiscal year (FY) 2007. This exceptionally high rate of competitive awards is a major achievement of which we are very proud. This statistical information is based on EPA's internal data. Though it was our intent to use the Federal Procurement Data System - Next Generation (FPDS-NG) data for this report. The FPDS-NG report entitled "Competitive Procurement Activity Report by Department," is no longer in FPDS-NG. I confirmed that this report has been deleted from FPDS-NG with the FPDS-NG Help Desk and Ms. Pat Corrigan from the Office of Federal Procurement Policy (OFPP). I tried to use the new FPDS-NG report entitled "New Competition Report," and I found several errors in the data with the most significant being that Competitive and Non-Competitive Data do not add to 100%, as 7% of the data is missing. In addition, I noted to FPDS-NG that getting this report in a usable format takes several hours as you have to run each quarter of data, generate a new spreadsheet to add the data for a full year, and format for printing. I discussed my concerns with Ms. Corrigan who confirmed that OFPP recognizes there are errors in the FPDS-NG reports for competition data and that relying on internal data is acceptable as they are working with FPDS-NG to set a new Competition Report that is not yet complete. Therefore, this report is based on internal EPA data and the detail competition statistics are attached. I attached statistical charts showing our increasing competition trends since FY 2004, accomplishments for each procurement division, and accomplishments by Assistant Administrator and Regional Administrator.

ROLE OF THE AGENCY COMPETITION ADVOCATE

The EPA has been successful in conducting full and open competition by ensuring that all personnel involved in the procurement process, from identification of the requirement through final payment on the contract, work as a team to maximize competition. The ACA's primary responsibilities are to:

- Develop, direct and maintain the competition program to ensure that competition initiatives are incorporated and implemented at all levels.
- Ensure that oversight mechanisms are established to provide visibility on any issues or obstacles to obtaining competition.
- Ensure that competition is planned early in the acquisition process to minimize factors inhibiting full and open competition.
- Promote market research to identify competition potential in support of acquisition strategies before the procurement decision is irrevocably made. Ensure that acquisition plans maximize competition.
- Review and approve sole source actions exceeding \$550,000, and Determinations and Findings for exclusion of certain sources.

- Serve as the EPA spokesperson for competition to industry, other Government agencies, and EPA Program Offices.

ACTIONS THAT LIMIT COMPETITION

The Federal Acquisition Regulation (FAR) provides three distinct methods for limiting competition. First, FAR Subpart 6.3—Other Than Full and Open Competition, provides the policies and procedures, and identifies the statutory authorities for contracting without providing for full and open competition. Second, FAR Subpart 8.405-6 — Limited Sources Justification and Approval, provides that orders placed under Federal Supply Schedules are exempt from the requirements in Part 6. However, an ordering activity must justify its action when: only one source is capable of responding due to the unique or specialized nature of the work; the new work is a logical follow-on; or on an urgent and compelling need exist. Third, FAR Subpart 13.501— Special documentation requirements, allows sole source (including brand name) acquisitions for certain commercial items. For the purpose of this report, these three methods for limiting competition will be uniformly referred to as sole-source actions. It is also worthy to note that there are some noncompetitive awards that require no further justification (e.g., awards to an 8(a) firm, public utility, or a source authorized or required by statute) and these actions are not included or addressed in this report.

The sole source actions that are submitted for the approval of the ACA are usually limited to those instances where, for example, the Agency had no other choice but to award on a noncompetitive basis if scientific objectives and Congressional mandates were necessary, when the public health and welfare were at stake, or when time was of the essence to alleviate an immediate danger. The EPA is an agency that is required to protect human health and the environment in the case of a terrorist attack or national emergency, and has issued class justifications to be prepared for these situations. These sole source vehicles are only to be utilized in rare circumstances when competition is not possible due to emergency health and environmental threats. With the availability of a document which can be invoked in a qualifying emergency, the EPA will not need to issue a new document at a point where it may be impossible. We cannot determine this impact to our competition.

The ACA, with the cooperation of contract and program personnel, will take steps to ensure that there are no noncompetitive awards to continue on-going programs caused by delayed procurement awards due to poor advance planning and monitoring of current contracts.

The EPA will continue to strive to reduce noncompetitive acquisition situations. Under many of its programs, the EPA has significantly broadened the contractor base and provided opportunities for more companies to compete. All of the EPA's contract personnel and program personnel are working to increase competition and develop additional sources to satisfy EPA's requirements. In instances where an incumbent has repeatedly received follow-on contracts, additional sources are developed by continuing to break out requirements and allowing the incumbent and the prospective contractors to propose on only a single part of the requirement. By this "exclusion of sources" method of acquisition, the Agency is developing sources and broadening its contractor base.

ASSESSMENT OF COMPETITION PRACTICES

The Agency continued to enhance competition through the use of innovative procurement techniques. For all procurement opportunities, full and open competition was stressed as the most desirable method of acquisition and was pursued aggressively. In assessing the state of competition practices at the EPA for FY 2007, I utilized the format provided by OFPP in its letter dated May 31, 2007. The following details the results of my review based on responses provided from the EPA procurement offices.

A. Ensuring sufficient attention to the manner in which acquisitions are planned

The ACA and procurement offices have taken numerous actions to ensure that there is sufficient attention being paid to the manner in which acquisitions are planned. It is clear that acquisition planning is the one of the best ways to ensure competition. At the EPA, we utilize cross-functional teams in the acquisition planning process, which includes the procurement staff, program office, and the small business office. Detailed acquisition planning meetings are held with each individual customer to go over the next two years acquisition plans to determine strategies to enhance competition, including small business participation. At these planning meetings, the team discusses how competition will be sought and promoted. These planning meetings set forth strategy and identify and help prevent potential future noncompetitive awards. In some instances, all fiscal year requirements are being reviewed at the beginning of the year to develop a total contract strategy for a particular technical program. EPA's Policy, Training, and Oversight Division (PTOD) has been working on updating the EPA Contract Management Manual (CMM) to formalize the acquisition plan to require approval signatures and re-approval if the competition decisions change from the initial acquisition plan.

Acquisition plans for large requirements consider, as appropriate, the comparative benefits of awarding a new contract versus placing an order under an existing contract by reviewing in-house capabilities and capacity on current contracts. In addition, in FY 2007, the Superfund RCRA/Regional Procurement Operations Division developed a new internal website for procurement and program personnel to check the capacity and capability of existing contract vehicles.

The EPA employs many market research techniques including publishing formal requests for information, querying government and commercial databases, counseling contractors on doing business with the EPA, holding pre-proposal conferences, and participating in events with industry, other acquisition officials, and the program office. The procurement staff utilizes sources sought synopses to determine appropriate acquisition type and ensure maximum consideration of small businesses. All acquisitions are posted in the EPA's Forecast Database and on our main website to maximize competition. Upon issuance of a new solicitation, the contracting officers routinely send email notifications to sources identified by the program office and sources responding to the synopsis to ensure maximum response from contractors.

There are plans in place to provide maximum practicable opportunities for small businesses in both prime contracting and subcontracting. In FY 2007, the EPA awarded more than 41 percent

of the EPA's total contract dollars to small businesses. Most significant is the fact that in FY 2007, the EPA exceeded the 3 percent goal for total awards to service-disabled veteran-owned small businesses (SDVOSB) by awarding more than \$50 million to SDVOSB which equated to more than 4 percent of the EPA's total contract dollars. One area that the EPA procurement personnel need additional training and emphasizing is information in the electronic Subcontracting Reporting System (eSRS) as I have noted high numbers of individual subcontract reports that need to be reviewed.

The EPA has processed no actions that meet the definition of contract bundling. Each major acquisition involving a number of separate tasks is reviewed to determine the acquisition method best suited to enhance competition. This includes examining each task and determining whether to separate tasks or combine them, depending on which method is most likely to generate the most competition.

B. Using competition in an effective manner

The EPA is proud of our efforts to ensure clear statements of work that provide sufficient information, so that companies may make informed business decisions on whether to respond and perform the due diligence necessary to propose the best solutions. In addition, the EPA also may publish proposed requirements for public comment prior to issuance of a solicitation. The EPA is working on moving much of our contract work to performance based by listing clear performance measures and expectations related to quality, responsiveness, timeliness, and cost. In FY 2007, the EPA acquisition call letter specifically stated that all new eligible service contract acquisitions must be performance-based, unless otherwise justified. Competition is enhanced through the use of performance-based contracting, as it requires clear and measurable contract performance standards in terms of quality, quantity, and timeliness.

The EPA considers the complexity, commerciality, availability, and urgency in establishing due dates for proposals. All offices work to allow the maximum number of days for proposals to increase competition and encourage contractors to provide quality proposals that would allow for a best value award based on initial offers. It is the intent of the EPA to award based on initial offers and we reemphasized this point to our contractor community at the EPA Contractor Forum held on October 24, 2007, in Washington, D.C., and in the presentation on Technical Evaluation Process given by the Division Director in the Research Triangle Park Procurement Operations Division.

During the evaluation process, the EPA takes into account recent and relevant past performance, including quality, timeliness, and cost control. The EPA relies on the National Institutes of Health (NIH) past performance system and annually holds "stand-down" days to remind Contracting Officer's to input and update the information on their existing contracts in the system so that current and relevant information is available for upcoming procurement opportunities.

All procurement offices confirmed that the documentation for source selection decisions includes the rationale for any tradeoffs made or relied on by the source selection authority, including the benefits associated with additional costs. The EPA received a protest in fiscal year 2007,

focusing on source selection tradeoffs. In this case, the General Accountability Office (GAO) did find that the EPA was not clear in a decision to award to a lower offeror. OAM will be holding a lesson-learned session for all the procurement managers to understand this case and to review how the Agency can ensure this is not repeated in the future. In fact, OAM will hold lessons-learned sessions for all protests regardless of the decision so all procurement staff are aware of the issues that contractors are protesting to ensure that there are no barriers to competition.

The Agency Competition Advocate tried to verify and validate competitive and noncompetitive data in FPDS-NG, but had difficulty with the data in FPDS-NG. Based on the ACA discussion with OFPP and the FPDS-NG help desk, a new report for competitive and noncompetitive data is being generated. It is also one of the ACA recommendations to internally create a report to review noncompetitive data to ensure it is accurately reported.

C. Emphasizing sound contract management and oversight

The EPA ensures that properly trained contracting officer representatives (COR) are designated for contracts before contract performance begins. The requirements to be a COR are listed in the EPA policy guidance. OAM provides regular training and maintains the database of certified CORs, and the Contracting Officers ensure that proposed modifications are within the scope of the contract or order.

TRENDS ON ORDERS OVER \$1 MILLION

There are few trends in competition on orders over \$1 million as a result of EPA's commitment to competition. The few orders that were identified demonstrated that they were conducted with sufficient time to allow for competitive offers to be received. In one instance, the Contracting Officer allowed 60 days for offers and received two offers, while in another situation the Contracting Officer allowed 13 days for offers and four offers were received. Therefore, it appears that the Contracting Officers are making good judgements on the number of days needed for their particular requirements depending on the complexity of the requirement.

I received responses from four (4) procurement offices that issued orders over \$1 million (Cincinnati Procurement Operations Division (CPOD), Research Triangle Park Procurement Operations Division (RTPPOD), Region VII and Region IV), for a total of thirteen (13) orders for the agency. Unfortunately, neither FPDS-NG nor EPA's internal system were able to accurately identify all the orders over \$1 million, which does not allow for a validation of the data.

The ACA will work with the procurement staff to implement a policy to require that any order over \$1 million, where there is more than one company under contract, including GSA orders, to submit a copy to the ACA for trend analysis.

SUMMARY & RECOMMENDATIONS

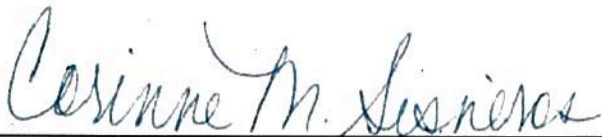
Thank you again for the opportunity to present this assessment of EPA's competition achievements and future plans to continue increasing competition on EPA's procurement opportunities. I believe that the EPA will continue to be one of the top agencies leading competition success as we will continue our aggressive acquisition planning efforts by implementing creative acquisition processes that expand competition, ensuring there are clear and complete statements of work, and providing access to all necessary procurement information on-line in real-time through EPA's dynamic real-time Forecast Database. I have proposed the following recommendations to help keep the EPA's competition practices strong.

1. EPA's Policy, Training, and Oversight Division (PTOD) and the ACA need to complete the updates to the Contract Management Manual (CMM) to formalize changes requiring approval signatures of the acquisition plan and re-approval if the competition decision changes from the initial acquisition plan.
2. The ACA needs to work with FPDS-NG to ensure accurate reporting of the EPA's competition statistics. We also need to set a standard report in FPDS-NG that can be utilized by EPA personnel to verify and validate competitive actions are appropriately listed.
3. The ACA and PTOD need to work to post standard format examples of the varying sole source documents to avoid the confusion of citing the wrong authority or using the wrong format to ensure clear documentation when sole source actions are necessary.
4. The ACA needs to work with the OAM senior managers to determine the barriers on approving or rejecting the Individual Subcontract Reports in the electronic Subcontracting Reporting System (eSRS) to ensure the EPA Contracting Officers are providing the maximum practicable opportunities for small businesses in subcontracting.
5. The ACA and appropriate OAM staff on the FPDS-NG Change Control Board need to work with FPDS-NG to ensure accurate reporting of orders over \$1 million. We also need to set a standard report in FPDS-NG that can be utilized by EPA personnel to verify and validate that these actions.
6. The ACA will work with the appropriate procurement staff to formalize a policy requiring that any order over \$1 million, where there is more than one company under contract, including GSA orders, be submitted to the ACA for trend analysis. Each order should be provided with the following information:
 - A. Contract Number and Order Number
 - B. Contracting Officer Name and Phone Number
 - C. Total Value of the Order
 - D. Product or Service Description in 10 words or less
 - E. NAICS Code for the Procurement
 - F. Program Office
 - G. Total number of companies under the contract

- H. Total number of days allowed for receipt of proposals
 - I. Total number of offers received
 - J. The type of business that received the award, i.e., large business, small business, SDB, 8(a), WOSB, SDVOSB, or HUBZone
 - K. Provide a brief summary of what was done to enhance competition on the order or what barriers existed that limited competition. The items that can help enhance competition are a clear performance work statement with performance metrics, holding pre-proposal conferences, or allowing over 30 days for receipt of offers.
7. The ACA would like to implement a system of recognition for Contracting Officers, and others in authority, to promote competition in acquisition. The ACA will work with the OAM senior managers on this new recognition system.
8. The ACA would like to recommend to the Office of Federal Procurement Policy to create a Government-wide Competition Advocate Council that quarterly brings together the Competition Advocate from each agency to share best practices on increasing competition. The first item on the agenda should be a summary of the best practices that are being employed by each agency from this annual report.

SIGNATURE PAGE

Report Prepared by:



Corinne M. Sisneros, Agency Competition Advocate
Office of Acquisition Management



Date

Phone: (202) 564-4321 E-mail: sisneros.corinne@epa.gov